

How to make a swot model

[Business](#)



What Is SWOT?

SWOT is the acronym for; Strengths, Weaknesses, Opportunities and Threats of a business. SWOT is basically a marketing tool to find out the factors mentioned above. These are the things that are determined by various internal and external factors. By analyzing the internal data, we can find out the strengths that a business may have. At the same time, internal factors will give us the business's weaknesses. Taking the external factors, we can determine what the opportunities for a business might be. We can also identify potential threats that the business may face.

What is a SWOT model?

So what do we do once we have noted down the SWOT of the business? We put them in a matrix, otherwise known as the SWOT model. Here we assert them according to the categories. We have four categories under the heading of the acronym of SWOT. We find out certain factors and then arrange them into those categories. After we are done making a SWOT model we move on to analysis the data. This way we can come up with a marketing strategy. Based on the SWOT model and the SWOT analysis, the business will try to market their goods and services to the customers.

Categories of SWOT model

The SWOT model is actually very easy to do. As mentioned above, we just need to find out the strengths, weaknesses, opportunities and the threats of the organization. How do we find out those factors? We do so in the following way:

1. Strengths

Strength is an internal factor. These are things which can be controlled by the company itself. These things will help the business to run smoothly. Strengths allow the business to operate at its optimum level. If a company has a good source of raw materials then we consider them as strengths. Things like skilled labor, heavy investment, good distribution channel and product branding are all considered as strengths. These things will go under the Strength category in the SWOT model. The company will look to focus on such things and carry out their marketing plan.

2. Weaknesses

Just like strength, weaknesses are also an internal factor. These are also under your control. However the only thing different is that these things don't help you run smoothly. Rather it's the opposite. Weaknesses of a company hinder you from making progress. They provide an obstacle for operating smoothly. Having a poor location where customers cannot reach you easily is a weakness for the firm. At the same time having poor technologies, outdated machinery and no skilled managers can be thought as weaknesses. These things will be put under the Weakness category in the SWOT model. Then a fair analysis of these factors will result in a marketing strategy where the business will try to avoid these things.

3. Opportunities

Opportunities are an external factor. The business has no control over this matter. They tend to happen because of external reasons. Political,

economical, social or even technological reasons may give rise to opportunities. Opportunities are good for the business. When an opportunity arises you need to grasp it to make full use of it. This will ensure that the company performs better. A SWOT analysis is done so that the business can identify such opportunities.

Let's say a change in trend favors the business. Then we will consider it as an opportunity. We will write it down under the Opportunities section in the SWOT model. Other things may include a change in currency rate which favors the company. Government relaxing rules and regulations can also be seen as an opportunity to do better business.

4. Threats

Threats of a business are the situations where the business will stumble. They will create a problem for the smooth running of the business. So that they don't affect the company much, the company needs to identify them as soon as they can. They identify such situations during a SWOT analysis and list them down in the SWOT model under the Threats column. By identifying the threats beforehand, the company can make a contingency plan so as to avoid them. Threats can arise from various situations. These are also external factors meaning there is no control over them. Threats can include things like; political instability, competitors finding newer ways of production. Lawsuits and bad media coverage can also be termed as threats. New competitors entering the market or existing competitors taking a major share of the market are also threats.

Once you are done finding out the things which make the SWOT model, you just put them in the right category. After you are done you do an analysis of those factors. Try to find out how to utilize the strengths to make your company better. See how to make full use of the opportunities that will open up. Try to minimize the weaknesses and formulate a marketing plan that avoids those weaknesses. By identifying the threats, you are making sure that the company does not fall a victim to those situations. Those situations may not arise at all, but you still have a plan to avoid them. This way your marketing plan plays in your favor.

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